

**Statement for Hearing on
“East Timor: Instability and Future Prospects”**

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Chairman Leach, Members of the Subcommittee, I am very pleased to have this opportunity to speak to you about the current situation in East Timor. This Administration and specifically the East Asia and Pacific Affairs Bureau at the Department of State are working diligently to address the immense challenges that confront this fledgling state, the first nation of the 21st century. Our goals are clear: we want to work with the international community and the UN to help East Timor overcome its immediate challenges and assist the young nation in becoming a stable and prosperous democracy in Southeast Asia.

Before delving into the current crisis, it is useful to review the events that brought about East Timor's independence. In January 1999, then-Indonesian President Habibie announced his government's desire to hold a popular consultation or referendum in which the people of East Timor would choose between autonomy within Indonesia or independence. The referendum was held on August 30, 1999 and 78% of those eligible to vote voted for independence, with an almost universal voter turnout. However, after the results were announced on September 4, Timorese militias organized and supported by the Indonesian military killed approximately 1300 Timorese and forcibly pushed 300,000 people into West Timor as refugees. The majority of East Timor's infrastructure, including homes, irrigation systems, water supply systems, and schools, and nearly 100% of the country's electrical grid were destroyed. This violence only ended with the intervention of Australian-led peacekeeping troops. Thus, at its birth, East Timor faced huge challenges, among them reconciling its people and rebuilding its physical infrastructure.

Fast forward to the present, and again there is an Australian-led international security force on the ground in East Timor. The current instability in East Timor began with the outbreak of violence in April, which then descended into a breakdown of law and order and a political stalemate between President Xanana Gusmao and his supporters

and Prime Minister Mari Alkatiri and his loyalists. Earlier this year in March, the Commander of East Timor's Defense Force (the F-FDTL) dismissed 591 striking soldiers—or about 40% of the entire force—of the F-FDTL. These dismissed soldiers were taking part in a strike that had commenced in February, based on alleged discrimination within the military ranks by soldiers from the eastern parts of the country against those from the west. After their dismissal, many of these ex-soldiers began to demonstrate in the capital of Dili. Unfortunately, on April 28, violence broke out and the military pursued and killed an uncertain number of ex-soldiers in a western part of the city.

This outbreak of violence led to further societal fissures and violence between and among various factions of the police and military services. As East Timor's National Police completely disintegrated in Dili, the city became witness to gang activities such as looting and arson attacks committed by groups of easterners and westerners against one another. However, at no time were foreigners targeted.

The situation rapidly deteriorated, President Gusmao took control of the Timorese military and police forces after consulting with the Council of State, and the Government of East Timor invited security forces from Australia, Portugal, Malaysia, and New Zealand to reestablish order in the country. There are now approximately 2700 foreign military and police forces in East Timor, mostly under Australian command, which have substantially restored order to the country.

These events of the past few months exacerbated tensions between President Xanana Gusmao and then-Prime Minister Mari Alkatiri. The President asked the Prime Minister to resign, citing the Prime Minister's mishandling of the security crisis as well as allegations that he had authorized the distribution of arms to "militants" of the ruling FRETILIN Party. We encouraged both leaders to peacefully resolve their differences in accordance with the Timorese constitution and the rule of law. Several thousand anti-Alkatiri demonstrators, primarily from the western districts, came to Dili, and demanded that the Prime Minister step down. Protestors from the eastern districts are expected to also travel to Dili to express support for former Prime Minister Alkatiri and the FRETILIN Party. Prime Minister Alkatiri initially resisted calls for his resignation, but he submitted his letter of resignation this Monday, June 26. The President has accepted the resignation and is expected to name a transitional government within the next few days.

The U.S. is working with East Timor's numerous bilateral donors and friends to determine how best to assist it during this crisis. We are consulting with them on the mandate of a successor UN mission requested by the Government of East Timor. The current mission, UNOTIL, has been temporarily extended until August 20. We

believe a UN successor mission should include a robust electoral assistance program, a strong police component, and civilian and human rights advisors. Proper police training will be important since only a professional and impartial police force can get the support of the Timorese people. The UN has dispatched a Needs Assessment team to East Timor, which we understand will undertake an analysis and make recommendations to Secretary General Kofi Annan. After receiving a report from the Secretary General, UN Secretary Council members will determine the mandate of a proposed successor-UN mission.

The U.S. Mission in East Timor led by Ambassador Rees has done a superb job since the crisis began in April. I would like to thank them and those who traveled to Dili on temporary duty for all their hard work and dedication.

Let me conclude by thanking Congress for its generosity in the amount of U.S. foreign assistance it has allocated for East Timor since 1999. East Timor has been one of our largest recipients of U.S. aid on a per capita basis. (Besides bilateral assistance, the U.S. has contributed almost \$500 million via its assessed share of UN missions there.) The U.S. Agency for International Development has an office in East Timor and has focused on three sectors: democracy and governance, economic growth and development, and health care. We will need to take a fresh look at these programs in light of the weaknesses exposed by the current instability in East Timor. Besides standing up a professional police force, creative ways to accelerate employment will be necessary. We look forward to working both with other nations at the UN and with Congress to help East Timor overcome the biggest challenge since its independence.